



Q & A

1. What is an adequacy study and why is it important?

- Adequacy studies determine the true cost of providing a quality education to all students, regardless of their income, location or other circumstances.
- These studies often include geographic cost differences, labor cost differences and analysis of geographic isolation, among other factors.
- The School Finance Research Collaborative study was done based on Michigan's State Standards for student achievement for all students in both charter and traditional public schools.

2. Why was this study needed?

- Michigan lacked a comprehensive school funding study and policymakers need a clear roadmap to make decisions about school funding in Michigan.
- This report represents the most comprehensive school adequacy study in Michigan in at least 50 years.
- Michigan now joins more than 30 states that have conducted comprehensive adequacy studies over the past 15 years as the first step toward improving student achievement for all students.

3. Who is the School Finance Research Collaborative?

- The School Finance Research Collaborative is a diverse, broad-based and bipartisan group of business leaders and education experts from all corners of Michigan that formed in 2016.

- The group comes from a variety of backgrounds, but all of its members agree:
- It's time to change the way Michigan's schools are funded.

4. How was the study paid for?

- Funding for the study came from the W.K. Kellogg, Charles Stewart Mott and Skillman foundations, as well as other nonprofits and associations.
- Additional funding came from ISDs across Michigan.

5. Isn't this study just about more money?

- This study calls for research-based decisions as a best practice to help all Michigan students achieve and succeed.
- The Collaborative study determined the true cost of educating a child to Michigan's academic standards. It did not determine how to fund those costs
- Adequacy studies have proven nationwide to be a critical first step toward any meaningful education reform.
- Michigan's current school funding approach is broken, and this study provides the building blocks for a new school finance formula.

6. How does Gov. Whitmer's 2020 budget relate to the study?

- The governor's proposal was a significant step in the right direction toward fixing Michigan's broken school funding approach.
- The governor's proposal supports the Collaborative's research, including a weighted funding formula for:
 - Special education
 - At-risk students, and
 - Career and Technical Education

7. What were the report's key findings?

- The study found the base cost of a regular education student is **\$9,590** for both traditional public schools and charter schools.
 - That amount excludes transportation, food service and capital costs, and only includes pension costs at 4.6% of wages.
 - In addition to the base per-pupil cost, a percentage of the base cost should be provided for **special education, English Language Learners, students living in poverty** and programs to provide **Career and Technical Education**, and to account for **geographic isolation**.
- The study also identified for additional areas, including: transportation of students, geographic isolation, state pension system costs and enrollment size.

8. How should we fund special education?

- Today, special education funding comes from the same pot of money used to fund general education students.
- Students in need of special education services should be identified by the amount of time spent in the classroom, and by severity:
 - **Mild-level severity:** Students should be funded at an additional funding weight of 0.70 (70%) of the base per-pupil cost.
 - Students are in a regular education classroom 80% or more of the time.
 - **Moderate-level severity:** Students should be funded at an additional funding weight of 1.15 of the base per-pupil cost.
 - Students are in a regular education classroom 40% to 80% of the time.
 - **Severe-level:** The State of Michigan should reimburse costs incurred at 100%.
 - Students are in the regular education classroom 20% or less of the time they are in school.

9. How should we fund English Language Learners?

- The WIDA language assessment tool should be used to determine a student's proficiency in language.
 - **WIDA levels 1 and 2:** Students should be funded at an additional 0.7 (70%) of the base per-pupil cost.
 - **WIDA levels 3 and 4:** Students should be funded at an additional 0.5 (50%) of the base per-pupil cost.
 - **WIDA 5 and 6:** Students should be funded at an additional 0.35 (35%) of the base per-pupil cost.
 - If a student is eligible for ELL and is in poverty, Only the ELL weight should be applied.

10. How do we address student poverty?

- Poverty students should be funded at an additional 0.35 (35%) of the base per-pupil cost.
- More study is needed to determine the impact of literate and illiterate poverty and concentrations of poverty across Michigan.

11. How should we fund Career and Technical Education?

- In addition to the base cost, an additional 10% of the base cost per CTE enrolled student should be applied for the increased cost of equipment, supplies and other materials.

12. What about students in smaller districts and remote areas?

- Additional student funding for certain school district characteristics should be added because district expenses operate on **economies of scale**.
- **Isolated school districts** should receive an additional .04 (4%) of the base per-pupil cost.
- The state definition of an isolated district should be amended to include **all areas of the state**, not just the U.P.

- Because Michigan's school district sizes vary widely and small districts lack economies of scale, district size must be taken into account, with funding increases provided for all districts under 7,500 students.
- There are 196 school districts with less than 1,000 students, and 210 school districts with enrollment between 1,000 and 3,000 students.

13. What did the research say about pre-K for 3- and 4-year-old children?

- The base cost for preschool is \$14,155 with no additional funding weights.
- More intense resources are needed due to low teacher-to-student ratios.
- Significant returns on investment for preschool require high-quality pre-K programs.
- To best educate our youngest students, Michigan should make preschool for all students a goal.

14. What did the research say about student transportation?

- A per-rider (not per student) amount of \$731 should be allocated above the base per-pupil cost.
- An additional study is needed that designs a more specific transportation-cost formula.

15. What did the research say about school personnel wages?

- The study recommends using a Comparable Wage Index (CWI) for Cost of Living (COL) differences due to geographical location.

16. What was not studied by the researchers?

- Alternative education, adult education and cyberschools

17. Who did the research?

- This study was conducted by Augenblick, Palaich and Associates and Picus Odden & Associates, the nation's top two school finance research firms.

- The research team has over 100 years of combined experience.
- APA has conducted this type of research in all 50 states.

18. How was the research done?

- The study used the **Evidence Based (EB)** and **Professional Judgment (PJ)** approaches to determine the true cost of student achievement in Michigan.
- The PJ approach gathers leading educators to identify human resources and operating expenses needed to meet student achievement standards.
- The EB approach uses academic research on student performance to identify needed resources for schools to meet state standards.
- Nearly 300 Michigan educators informed the study.
 - They served on panels focused on all grade levels, preschool, special education, English Language Learners, poverty and Career and Technical Education.
- The study included a first-of-its kind panel on charter schools, and also examined districts of varying sizes and geographically isolated districts.
- The report incorporated findings of Michigan's 2016 school funding report, which called for increasing base per-pupil funding and additional funding for at-risk students and English Language Learners.
- The state's report used the **Successful School District (SSD)** approach, which assumes the base cost spent by districts found to be meeting standards could be used for all districts.